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May 27, 1998

Magalie Roman Salas, Secretary
Federal Communications Commission
1919 M Street N.W.,Room 222
Washington, D.C. 20554

Re: ***Ex Parte Notice, CC Docket 97-211***
(WorldCom and MCI Application for Transfer of Control)

Dear Ms. Salas,

On May 20, 1998, David J. Koch, President and CEO of Fiber Network Solutions, Inc., and Kyle C. Bacon, Vice President - Operations and COO of Fiber Network Solutions, Inc., had a telephone conference with Commission staff members from the Common Carrier Bureau, specifically, Michelle Carey, Eric Bash, Patrick Degrava, Bill Bailey and Michael Kennedy.

The telephone conference was requested by the Commission staff in order to clarify certain points made in the Reply Comments filed by Fiber Network Solutions, Inc. on March 19, 1998. Mr. Koch and Mr. Bacon responded to questions related to why open peering is necessary and why charges for peering are not justified. They clarified the basis for the cost estimates utilized in the Reply Comments and explained the difference between peering and transit services. They also responded to questions concerning the role of private peering. Additional points of clarification made during the telephone conference or suggested by the staff's questions are included in the attached Clarification Memorandum.

In accordance with the Commission's rule, an original and one copy of this notice as well as all material provided to the Commission staff are being submitted to the Secretary.

Very truly yours,

Kathleen M. Trafford

Kathleen M. Trafford

cc: Michelle Carey, Eric Bash, Patrick Degrava, Bill Bailey and Michael Kennedy

No. of Copies rec'd 0+1

Before the
Federal Communication Commission
Washington, D.C. 20554

In the Matter of	)	
Applications of WorldCom, Inc. and	)	
MCI Communications Corporation for	)	CC Docket No. 97-211
Transfer of Control of	)	
MCI Communications Corporation	)	
To WorldCom, Inc.	)	

Clarification of Comments
During Ex Parte Interview
of
Fiber Network Solutions, Inc.
on
May 20, 1998

David J. Koch
President and CEO
Kyle C. Bacon
Vice President - Operations and COO
Fiber Network Solutions, Inc.
6800 Lauffer Road
Columbus, Ohio 43231
800-899-5619

Dated: May 27, 1998

CLARIFICATION OF COMMENTS

These comments are submitted with the intent of providing a technical understanding in layman terms of the cost associated with delivering traffic from one network to another. Comparatives are presented of: Direct Peering at a single NAP exchange point; direct peering at geographically diverse NAP exchange points; utilizing transit services; and, private peering verses peering at the public exchange points or NAP's.

WorldCom presently controls or owns controlling interest in; UUnet, Metropolitan Fiber Systems (MFS), the MAE East and MAE West NAP's, Compuserve, AOL, ANS, Brooks Fiber, GridNet, NLnet, BLT Technologies, Choice Cellular, LDDS, and Wiltel. If the MCI/WorldCom merger is approved, WorldCom will also own controlling interest in MCI. For the purpose of these Reply Comments, these organizations are, when applicable, collectively referred to as the "Enterprise."

PACKET DELIVERY COST ANALYSIS

Digital traffic is transmitted over a network in units referred to as "packets." The size of a single packet ranges from one byte to over 18,000 bytes. A single text document that has 80 characters per line and 40 lines per page averages 2,000 bytes. For the sake of this analysis, we assume that the document is being transferred using File Transfer Protocol (FTP) in 1 Kilobyte packets (1,024 bytes). Each of the networks that interconnect and combine to form what we know as the Internet transmit and deliver (carry) tens of millions of packets per second. For this analysis, it is difficult to arrive at an actual dollar cost to carry a single packet. The dollar figure would be many digits to the right of the decimal. Therefore, this analysis utilizes a fixed form of commerce, "CyberUnits" as a monetary value associated with the cost of delivering a single packet.

Assume the average packet costs four CyberUnits to deliver if that packets originates from a subscriber on one provider's network and is destined to a subscriber on a different provider's network.

Fiber Network Solutions, Inc. ("FNSI") maintains a national backbone that is connected to the MAE West, PAC Bell, Chicago AADS and MAE East NAP's. UUnet also maintains a national backbone and is connected to geographically diverse NAP's or exchange points in common with FNSI. There is no direct peering between the two networks. FNSI buys transit services from a transit provider who has a direct peering relationship with UUnet. Therefore, both FNSI and UUnet exchange traffic with one another through the transit provider's network facilitating communication capability between subscribers of each network to subscribers of the other. Both FNSI and UUnet transmit and deliver (carry) traffic from and to their respective subscribers regardless of a direct peering relationship between the networks. The cost associated with carrying traffic from and to their respective subscribers is a cost of doing business and is paid to each provider from their respective subscription revenues.

However, there is greater cost to UUnet under a scenario where FNSI is using transit services at a single exchange point as opposed to peering directly with UUnet at all exchange points in common. Therefore, the solution to UUnet's suggestion that they incur additional cost for carrying other network's traffic is to facilitate peering at all exchange points in common. This would provide for efficient routing and alleviate the need for UUnet to carry traffic beyond the exchange point closest to the packets final destination.

SCENARIO 1

(CURRENT SCENARIO)

FNSI transits traffic through a transit provider to UUnet at one exchange point (MAE East).

A subscriber on FNSI's network located in the Midwest sends a single packet to a subscriber on UUnet's network who is located on the west coast. UUnet is required to carry a packet from MAE East, across the continent to its final destination on the west coast. The cost to UUnet to provide this packet delivery is, 3 of the 4 CyberUnits. FNSI is only required to carry the packet from their Midwest subscriber to the single exchange point - MAE East. The cost to FNSI is one CyberUnit.

Conversely, (the packet's return trip) the west coast UUnet subscriber would send a packet which would travel across UUnet's network to the single exchange point - MAE East. UUnet is required to transport the packet across the continent once again. The cost to UUnet would be three CyberUnits and the cost to FNSI to deliver the packet from MAE East to its Midwest subscriber destination would be one CyberUnit.

In this scenario the average cost to UUnet is three CyberUnits and the average cost to FNSI is one Cyber Unit. This disproportional cost to UUnet is the direct result of UUnet's decision not to facilitate direct peering with FNSI at multiple geographically diverse exchange points as is explained in Scenario 2.

Scenario 2

(Optimal scenario for both providers)

FNSI has a direct peering relationship with UUnet at multiple geographically diverse exchange points, on both the east and west coasts.

A subscriber on FNSI's network located in the Midwest sends a packet to a subscriber on UUnet's network located on the west coast. FNSI carries the packet on its network from the Midwest, across the continent, to the closest exchange point to the packet's final destination on the west coast - MAE West. The cost to FNSI is three CyberUnits. The cost to UUnet to carry the packet from MAE West to its west coast subscriber is one CyberUnit.

Conversely, (the packet's return trip) the west coast UUnet subscriber would send a packet which would travel across UUnet's network to the exchange point closest to its Midwest destination on FNSI's network - MAE East. The cost to UUnet would be three CyberUnits and the cost to FNSI would be one CyberUnit.

It quickly becomes apparent that under a free and open peering relationship, the average cost to each provider is two of four CyberUnits. Therefore, the most cost effective and efficient solution for any two providers is to facilitate free and open peering at all common exchange points. The cost to both providers is identical under a free and open peering policy. Any other solutions that involves monetary exchange for peering or transit services slants the playing field and upsets the fundamental foundation of fair competition.

Summarizing the above two scenario's, one can easily see why a provider might require their peers to exchange traffic at multiple geographically diverse points. The justification for this is delineated in scenario 2, where both providers equally share the cost to deliver the traffic.

Each provider is responsible for 2 of the 4 CyberUnits required to deliver a packet of information originating from one network destined for another.

If UUnet were to peer with FNSI at all four exchange points in common, both organizations would equally share in the cost of delivering traffic to the other's network. Additionally, it would optimize delivery of traffic resulting in cost reduction to both network providers.

If UUnet argues that they incur additional cost from carrying the traffic of other networks, the solution is free and open peering. **It is UUnet's decisions with regard to selective peering that have resulted in UUnet incurring additional cost to transmit or deliver traffic to and from other provider networks.** There is no justification why other providers should bear these additional costs that can be completely eliminated, are directly controllable and the result of UUnet's decisions regarding peering.

The suggestion that charging for peering would lessen the cost to UUnet is only correct if peering is facilitated at all exchange points in common and, the exchange points are geographically diverse. If peering is facilitated at two geographically diverse exchange points in common, there is no justification by either party to charge for the peering relationship. The cost to facilitate peering at exchange points in common is identical to both networks. Each absorbs its own cost for the peering relationship.

It can easily be seen from the examples above that it would cost UUnet **LESS** if they were to peer with companies like FNSI at multiple geographically diverse locations. Additionally, direct peering without monetary exchange would substantially resolve the issues pursuant to maintaining an atmosphere of fair competition in the Internet industry.

Any suggestion that charging for peering would change the fundamental routing of packets is without merit. If a provider were to charge for peering, it would not change the fact that it is more efficient to facilitate the exchange of traffic at multiple geographically diverse exchange points. Once peering is established at multiple geographically diverse exchange points, the cost of exchanging traffic between two networks becomes identical to each network. Therefore, the fee paid for peering creates an unjustified revenue stream to one provider while simultaneously placing the paying provider at a tremendous financial and competitive disadvantage. The paying provider is burden with incurring identical network and packet delivery costs **PLUS** the peering fee resulting from the artificial costs alleged by the charging provider. Charging for peering is clearly anti-competitive and would result in providing a single corporation with monopolistic control of the Internet.

PRIVATE PEERING

VERSES

PEERING AT THE PUBLIC EXCHANGE POINTS OR NAP'S

The Internet and its digital traffic have increased exponentially over the past few years. The NAPs were equipped to handle a certain level of traffic. As the traffic increased beyond design capacity, there was degradation of service, in particular at MAE East and MAE West. The Enterprise has stated that the NAPs are congested and experiencing packet loss (bottlenecking) and suggest that the only alternative is private peering which justifies assessing a peering charge to other backbone providers. The condition of NAP congestion at the MAE's has resulted from over subscribing the capacity of these NAP's. This over subscription has been directly controllable by the Enterprise. As the Enterprise has expanded capacity at the MAE's, the congestion problem has improved. It is important to emphasize that the Enterprise controls whether or not these NAP's have a congestion problem and the extent of the congestion by controlling the subscription to capacity ratios.

All network service providers who connect to any NAP pay an initial connection fee and a monthly recurring fee for each port connection to the organization that owns and operates the NAP. Therefore, the NAPs are operating as profitable businesses in and of themselves. Margins increase by over subscribing - giving additional revenue to increase capacity.

The Enterprise has argued that they have incurred additional cost to facilitate private peering. Private peering is a mechanism for network service providers to interconnect their networks directly. Private peering can provide for additional routing efficiencies and redundancies. The Enterprise raises the argument that there are additional costs associated with private peering. There are additional costs – equal for both network service providers. It requires that both provider's networks meet at a common location where the interconnection can be made. Both providers must pay the cost to reach and connect at the agreed upon facility. The costs are essentially equal on both sides and historically, each provider has absorbed its own expense.

Private Peering, <u>can and is</u>, being facilitated at the public exchange points or NAP's. Any providers that are connected to a NAP can facilitate private peering between their networks and completely bypass the fabric of the NAP. This completely alleviates any congestion problems for those providers at the NAP. Additional costs are incurred by **both** providers for the direct interconnection. However, the cost is nominal (literally a few hundred dollars a month) and it is equal to both providers.

The Enterprise can directly control the congestion levels at the MAE's. With a continued congestion problem, the Enterprise can claim that they require private peering at locations other than the public exchange points. If this policy is permitted, it will require that other network providers incur additional and disproportional expense to meet the Enterprise's networks at locations delegated by the Enterprise or, this the Enterprise could escalate the cost of making a direct cross connect between competitive networks and the networks controlled by the Enterprise at the MAE's, thereby bypassing the fabric of the NAP and accomplishing a private peering relationship.

It is absolutely paramount that the Internet remain an arena where fair market competition is available on an equal basis to all network service providers through a requirement of open and free peering without monetary settlement at the nation's six established NAP's regardless of whether or not the fabric of the NAP is utilized or the connection is made via a cross connection directly between networks. The condition of open and free peering must be carefully crafted to stipulate that the Enterprise be required to facilitate peering at the nation's six NAP's. These NAPs are the **common and established public exchange points** or Network Access Points. If the condition is not drafted properly, the Enterprise could disconnect from the NAPs or escalate the pricing for cross connections at the NAP's, thereby indirectly facilitating their desire to charge for peering. It is critical that a condition of the merger prohibit the Enterprise from intentionally creating any degradation of traffic to or from their network to another. Absent of such a stipulation, such a practice could easily be implemented which would give the appearance that the Enterprise's network is of superior quality as compared to a competitive network. Once again, this would certainly slant the playing field in favor of the Enterprise. As a condition of the merger, the Enterprise should be required to cease a practice of over subscribing the capacity of the MAE's by increasing capacity to accommodate customer requirements or divest itself of the MAE East and MAE West NAP's.

Minimum Peering Criteria

It is reasonable that certain criteria be met by a network service provider before the Enterprise or other providers be required to peer another provider. Reasonable criteria might require the network service provider to:

1. Have connections at DS3 or greater speeds to at least three of the six diverse NAPs, with at least one connection on opposite sides of the continent. The established NAPs must include any of the following: MAE-East, Sprint NAP, PAC Bell, MAE-West, CIX and AADS Chicago NAP,
2. Have a valid Autonomous System Number (ASN),
3. Have a carrier class router capable of BGP 4,
4. Have the technical capability to run BGP 4,
5. Have a staffed 24x7 NOC (24 hours per day / 7 days per week Network Operations Center) with qualified technicians available to solve problems,
6. Agree to not default any traffic to each others network, and
7. Exchange its routes and its customer 's routes without monetary settlement.

Fair competition in the Internet industry has been instrumental in providing affordable access for all consumers to this powerful communications medium. Fiber Network Solutions, Inc. urges you to take appropriate action to ensure free and opening peering at the nations six NAP's as a condition of any merger.

Respectfully submitted,

FIBER NETWORK SOLUTIONS, INC.

David J. Koch
President and CEO

FIBER NETWORK SOLUTIONS, INC.

Kyle C. Bacon
Vice President - Operations and COO

IN THE COURT OF COMMON PLEAS OF LUZERNE COUNTY
ELEVENTH JUDICIAL DISTRICT
COMMONWEALTH OF PENNSYLVANIA

97 JUL 10 PM 3:53
PROTHONOTARY LUZERNE COUNTY

JACK WEINBERG, D/B/A CAPITOL COMMUNICATIONS	:	CIVIL ACTION - LAW
PLAINTIFF	:	
VS.	:	JURY TRIAL DEMANDED
WORLDCOM NETWORK SERVICES, INC.	:	
DEFENDANT	:	NO. 2496-CIVIL-1997

****

NOTICE TO DEFEND

To: **Worldcom Network Services, Inc.**
c/o Robert P. Simons, Esquire
Klett, Lieber, Rooney & Schorling
40th Floor, One Oxford Circle
Pittsburgh, PA 15219-6498

To: **Worldcom Network Services, Inc.**
c/o William Anderson
515 East Amite Street
Jackson, MS 39201-2702

You have been sued in court. If you wish to defend against the claims set forth in the following pages, you must take action within twenty (20) days after this Notice and Complaint are served upon you, by entering a written appearance personally or by attorney and filing in writing with the court your defenses or objections to the claims set forth against you. You are warned that if you fail to do so, the case may proceed against you, and a judgment may be entered against you by the Court without further notice for any money claims in the Notice and Complaint, or for any other claim or relief requested by the adverse party or parties. You may lose money or property or other rights important to you.

YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE A LAWYER, OR CANNOT AFFORD ONE, GO TO OR TELEPHONE THE OFFICE SET FORTH BELOW TO FIND OUT WHERE YOU CAN GET LEGAL HELP.

PA LAWYER REFERRAL SERVICE
P.O. BOX 1086, 100 SOUTH STREET
HARRISBURG, PA 17108
(800) 692-7375 (PA Residents)
(717) 238-6715 (Non-PA Residents)

LEGAL SERVICES OF NORTHEASTERN PA
410 BICENTENNIAL BUILDING
15 PUBLIC SQUARE
WILKES-BARRE, PA 18701
(717) 825-8567

Joseph G. Murray

JOSEPH G. MURRAY
Counsel for Plaintiff
10 E. South Street, Suite B
Wilkes-Barre, PA 18701-2325
(717) 822-1959

DATED: July 8, 1997

IN THE COURT OF COMMON PLEAS OF LUZERNE COUNTY
ELEVENTH JUDICIAL DISTRICT
COMMONWEALTH OF PENNSYLVANIA

PROTHONOTARY LUZERNE COUNTY
97 JUL 10 PM 3:53

JACK WEINBERG, D/B/A CAPITOL COMMUNICATIONS	:	CIVIL ACTION - LAW
PLAINTIFF	:	
VS.	:	JURY TRIAL DEMANDED
WORLDCOM NETWORK SERVICES, INC.	:	
DEFENDANT	:	NO. 2496-CIVIL-1997

****

COMPLAINT

COMES NOW, the Plaintiff, Jack Weinberg, d/b/a Capitol Communications, by and through his attorney, Joseph G. Murray, and files this Complaint as follows:

1. The Plaintiff is Jack Weinberg, an individual with a mailing address of 290 Pennsylvania Boulevard, Wilkes-Barre, PA 18701. The Plaintiff has done business as Capitol Communications and did so during all times relevant to this Complaint. The Plaintiff is hereinafter referred to as "Capitol".

2. The Defendant is Worldcom Network Services, Inc., a corporation, with corporate offices at 515 East Amite Street, Jackson, Mississippi, 39201-2701. The Defendant is hereinafter referred to as "Worldcom".

3. This action was commenced by the filing of a Praecipe for Writ of Summons on April 29, 1997. The Praecipe and resulting Writ of Summons have been served upon the Defendant Worldcom at 515 East Amite Street, Jackson, Mississippi 39201-2701.

4. During 1994 and continuing into 1995, the Plaintiff negotiated with Communications Network Corporation, 1 Penn Plaza, Suite 4311, New

York, NY ("CNC") for CNC to provide long distance telephone services to Capitol under a Term and Commitment Plan (TCP").

5. The negotiations between the Plaintiff Capitol and CNC culminated in an agreement represented and evidenced by a writing dated January 25, 1995 and signed by both Jack Weinberg, the Plaintiff, and by Charles W. Gofferdo, Jr., an authorized representative of CNC ("Agreement").

6. Attached as Exhibit "A" and incorporated herein is a copy of the writing dated January 25, 1995 and referred to herein as "Agreement".

7. The Agreement includes the following provision:

> "CNC warrants that any and all customer's [sic] of Capitol that are put through the CNC network will remain the customers of Capitol Communications."

8. Subsequent to January 25, 1995, the Plaintiff Capitol and CNC operated under the Agreement.

9. CNC has also been known as Conetco.

10. On July 1, 1996, an involuntary chapter 11 petition was commenced against Conetco in the United States Bankruptcy Court for the Southern District of New York at No. 96-B-43504(PBA).

11. Upon information and belief, the Plaintiff Capitol was not listed as a creditor in the Conetco bankruptcy case and was not notified of the commencement of the bankruptcy case by Conetco or any of the petitioning creditors.

12. On or about September 30, 1996, the Defendant Worldcom sent to each one of the customers of the Plaintiff Capitol a notice advising that, pursuant to an order of the United States Bankruptcy Court for the Southern

District of New York "the Conetco customer base which includes your account has been transferred to Worldcom Network Services, Inc..." ("Notice").

13. Attached as Exhibit "B" is a true and correct copy of the Notice.

14. At no time has Capitol Communications commenced a bankruptcy case; yet, its name appears on the Notice. The Notice caused irreparable harm to the business reputation of Capitol.

15. At no time had Capitol transferred or conveyed its customer base to Conetco; therefore, Conetco had no customer base to transfer or convey to Worldcom, whether in or outside of a bankruptcy case. The Plaintiff Capitol asserts that either no customer base was transferred or, if it was transferred, the transfer was both a breach of the Agreement and a violation of Capitol's proprietary interest in the customer base.

16. Worldcom purports to be a successor in interest to Conetco and operates as such.

17. As a successor in interest to Conetco, the Defendant Worldcom is liable to the Plaintiff for the appropriation and conversion of the customer base of Conetco.

18. As a successor in interest to Conetco, the Defendant Worldcom is liable to the Plaintiff for Conetco's breach of the Agreement.

19. Separate from its status as a successor in interest, the Defendant Worldcom is liable for its own appropriation and conversion of the customer base of the Plaintiff Capitol.

20. Separate from its status of a successor in interest, the Defendant Worldcom is liable for its own breach of the Agreement.

21. The Defendant Worldcom, after the commencement of the Conetco bankruptcy case, also breached the Agreement by engaging in the following conduct:

a) increasing the billing rates for customers of the Plaintiff Capitol; and

b) changing the billing method from direct billing to a billing method through the local telephone company.

22. The increased rate imposed by the Defendant Worldcom reached as high as $1.05 per minute.

23. The customer base appropriated and converted by Worldcom includes approximately 3,500 customers generating a net profit to Capitol of approximately $25,000.00 per month.

24. More specifically,

(a) The losses suffered and to be suffered as a direct result of the appropriation of Capitol's customer bases is $2,000,000.00 (two million dollars), calculated as follows:

Ten times the monthly revenue.

(b) The losses suffered and to be suffered by Capitol as a direct result of the breach of the Agreement is $2,000,000.00 (two million dollars), calculated as follows:

Ten times the monthly revenue.

25. At all times relevant to this Complaint, the Defendant Worldcom knew or should have known of Capitol's legal, proprietary and exclusive interest in its customer base and of the terms and conditions of the January 25, 1995 Agreement, including the warranty that Capitol's customer base would remain its own.

COUNT I

(BREACH BY WORLDCOM)

26. Paragraphs 1 through 25 are hereby incorporated, as though the same were fully set forth at length herein.

27. The Defendant Worldcom has breached the Agreement between Conetco and the Plaintiff Capitol and the Plaintiff Capitol has incurred lost income and will incur future loss as a result of the breach.

WHEREFORE, the Plaintiff Jack Weinberg, d/b/a Capitol Communications, demands judgment in his favor and against the Defendant Worldcom Network Services, Inc., in an amount in excess of $40,000.00 plus cost of suit.

COUNT II

(APPROPRIATION AND CONVERSION BY WORLDCOM)

28. Paragraphs 1 through 27 are hereby incorporated, as though the same were fully set forth at length herein.

29. The Defendant Worldcom has appropriated and converted the customer base of Capitol and the Plaintiff Capitol has incurred lost income and will incur future losses as a result of the appropriation and conversion.

WHEREFORE, the Plaintiff Jack Weinberg, d/b/a Capitol Communications, demands judgment in his favor and against the Defendant Worldcom Network Services, Inc. in an amount in excess of $40,000.00 plus punitive damages and costs of suit.

COUNT III

(SUCCESSOR LIABILITY FOR BREACH)

30. Paragraphs 1 through 29 are hereby incorporated, as though the same were fully set forth at length herein.

31. The Defendant, a successor in interest, is liable to the Plaintiff for Conetco's breach of the Agreement and the Plaintiff Capitol has incurred lost income and will incur future losses as a result of the breach.

WHEREFORE, the Plaintiff, Jack Weinberg, d/b/a Capitol Communications demands judgment in his favor and against the Defendant Worldcom Network Services, Inc. in an amount in excess of $40,000.00 plus costs of suit.

COUNT IV

(SUCCESSOR LIABILITY FOR APPROPRIATION AND CONVERSION)

32. Paragraphs 1 through 31 are hereby incorporated, as though the same were fully set forth at length herein.

33. The Defendant Worldcom, as a successor in interest, is liable to the Plaintiff Capitol for Conetco's appropriation and conversion of the customer base and the Plaintiff Capitol has incurred lost income and will incur future losses as a result of the appropriation and conversion.

WHEREFORE, the Plaintiff, Jack Weinberg, d/b/a Capitol Communications demands judgment in his favor and against the Defendant Worldcom Network Services, Inc. in an amount in excess of $40,000.00, plus punitive damages and costs of suit.

DEMAND FOR JURY TRIAL

The Plaintiff hereby demands a jury trial on all issues triable by a jury.

Respectfully submitted,

LAW OFFICES OF JOSEPH G. MURRAY, P.C.

BY: Joseph G. Murray

JOSEPH G. MURRAY, ESQUIRE
Counsel for Plaintiff
10 E. South Street, Suite B
Wilkes-Barre, PA 18701-2325
(717) 822-1959
Attorney I.D. No. 36806

Dated: July 8, 1997

VERIFICATION

I, Jack Weinberg, the Plaintiff in the above-captioned matter, do hereby verify that the facts set forth in the foregoing Complaint are true and correct to the best of my knowledge, information and belief. I understand that false statements herein are made subject to the penalties of 18 Pa. C.S. Section 4904, relating to unsworn falsification to authorities.

Jack W

JACK WEINBERG

Dated: July 8, 1997

COMMUNICATIONS NETWORK

14 Bradley Avenue
Staten Island, NY 10314
Tel.: (718) 698-1000
Fax: (718) 698-1090

January 25 1995

Capitol Communications
290 Pennsylvania Blvd
Wilkes - Barre, PA. #18701
Attn: Mr Jack Weinberg

Dear Mr Weinberg:

Enclosed are the terms and conditions between Capitol Communications and Communications Network (CNC). This Term and Commitment Plan (TCP) follows the guidelines between Mr Wally Khatib, CEO of CNC and Mr Jack Weinberg, President of Capitol Communications.

CNC offers the following rates and terms to Capitol Communications:

1. A rate of 0.1175 cents per minute based on direct billing.

2. A six (6) month ramp up period to achieve a $100,000. per monthly billing for domestic traffic. If at the end of this term agreement, customer's qualifying volume fails to meet or exceed volume commitment, CNC has the right to increase the postalized rate of 0.1175 to 0.1250 per minute. If this ramp-up period is achieved, then a new rate may be negoitated between CNC and Capitol Communications.

3. All rates listed above are for both inbound and outbound switched long distance services as well interstate traffic and excluding the following listed states(see attached).

4. Commissions will be paid on billed revenue fifteen (15) days after billing to customer.

5. All calls are to be billed with either a thirty (30) second start-up followed by six (6) second billing thereafter. (Some customers may be billed in six (6) second start-up.)

6. CNC is responsible for all billing and collecting of funds as well as paying all taxes to local, state and federal governments.

7. CNC warrants that any and all customer's of Capitol that are put through the CNC network will remain the customers of Capitol Communications.

CAPITOL COMMUNICATIONS
1-25-95

COMMUNICATIONS NETWORK - CNC

Inter adjusted to .1142 c p.m.

Attn: Carol

CONETCO

CAPITOL COMMUNICATIONS

Account Number
102559-0000

Pd. 88.74
10/15/96

000267108 1.475 0.55

Invoice Date
09/30/96

WORD OF TRUTH
4810 N ELMWOOD
KANSAS CITY, MO 64119

Pursuant to United States Bankruptcy Court Southern District of New York Order No. 96-B43504 (PBA), the Conetco customer base which includes your account has been transferred to WorldCom Network Services, Inc., one of the most respected and advanced telecommunications companies in the United States. You will continue to enjoy the same excellent services you currently receive with no changes to products or rates anticipated in the near term. In coming months, however, you will be able to take advantage of new services, features and benefits which can only be offered by a world-class carrier, a technological pioneer, and a fortune 500 company such as WorldCom. Look for additional news here in the months to come. And welcome to WorldCom!

Please include the account number on your check.

IN THE COURT OF COMMON PLEAS OF LUZERNE COUNTY
ELEVENTH JUDICIAL DISTRICT
COMMONWEALTH OF PENNSYLVANIA

JACK WEINBERG, D/B/A CAPITOL COMMUNICATIONS	:	CIVIL ACTION - LAW
PLAINTIFF	:	
VS.	:	JURY TRIAL DEMANDED
WORLDCOM NETWORK SERVICES, INC.	:	
DEFENDANT	:	NO. 2496-CIVIL-1997

****

CERTIFICATE OF SERVICE

I, JOSEPH G. MURRAY, counsel for the above-captioned Plaintiff, do hereby certify that I have mailed a true and correct copy of the foregoing Complaint, on the date shown below, by first-class mail, postage prepaid, to the following persons at the addresses shown below:

Robert P. Simons, Esquire
Klett, Lieber, Rooney & Schorling
40th Floor, One Oxford Center
Pittsburgh, PA 15219-6498

Worldcom Network Services, Inc.
c/o William Anderson
515 East Amite Street
Jackson, MS 39201-2702

Joseph G. Murray

JOSEPH G. MURRAY
Counsel for Plaintiff
10 East South St., Suite B
Wilkes-Barre, PA 18701-2325
(717) 822-1959
Attorney I.D. No. 36806

Dated: July 10 , 1997